



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

# NORTH AMERICAN REVIEW.

No. CCCXII.

---

NOVEMBER, 1882.

---

## ENGLISH VIEWS OF FREE TRADE.

---

THE Cobden Club held its annual meeting recently in London. Lord Derby presided, and made the speech\* of the evening on Free Trade, the only subject admissible on such occasions. It was worthy of the reputation of this distinguished nobleman, who is one of the foremost statesmen of England. His speech is remarkable for its ability, as well as for its ingenuous admission that all the other nations of the world, together with the colonies of England, excepting New South Wales, are protectionists. Lord Derby's despondency is somewhat abated, however, by the action of the Finance Minister of India, who has recently taken a step which Lord Derby considers wise, although bold, and which has "produced in India a nearer approximation to free trade than exists anywhere except in England." India being controlled in Downing Street, it is apparent from Lord Derby's statement that the doctrine of free trade has its home only in England; and the inference is certainly a fair one—from the industry of the Cobden Club, whose publications† are sown broadcast throughout the world, and always so timed, in the United States at least, as to be in advance of the elections—that the material interests of England are largely dependent on the

\* Published in "The Rochdale Observer," July 8, 1882.

† Total number since January, 1881, 922,860. See "Annual Report," 1881-82.

spread of this doctrine in other parts of the world. It is well, therefore, that we understand precisely the conditions which exist in England, so that we may know what it is which prompts the extraordinary zeal shown for the propagation of a doctrine so dear to her people, a doctrine which, according to Lord Derby, is more powerful and more salutary in its influence on mankind than religion. He says, "There is nothing more certain than this, that the great preventive of war is trade. Religion has not served to check wars; they never were more frequent or more barbarously carried on than in the ages when faith was unshaken, and when every man was a believer. Forms of government have not sufficed to check war, for we have seen democracies as pugnacious as governments of any other character, and I am afraid that we can hardly contend that even the general increase of intelligence has done much to make men peaceable. But, if you so connect two countries that neither can injure the other without equally injuring itself at the same time, you have not, indeed, a perfect guaranty against quarrels, for that is impossible, but a better guaranty than any yet devised." One must not assume, from what Lord Derby has here said, that all the wars which England has entered upon to get trade were not justifiable, but that, as she laid her strong hand upon province after province, and opened her trade with them, they became possessed ever after with the tranquillity and gentleness of the lamb.

Great and enthusiastic teachers are apt to hold extreme views. The late Henry C. Carey, whose reputation is co-extensive with the world as a teacher of protection, ascribed even more astounding results to his favorite theory. He has more than once asserted that protection is a universal remedy for all social evils. Adopt it universally, he said, and, with the bettered condition of mankind, ignorance, intemperance, and vice generally, will disappear.

The mission of England is to spread the knowledge of her great panacea for the healing of all nations,—Free Trade. There can be no doubt of the sincerity with which the doctrine is propagated. Experience has long since taught it as a truth that there is no influence more powerful on the human mind than that which is held to be the basis of material prosperity. Free trade being essential to the prosperity of England, and its adoption in other countries of great advantage to England, one may freely admit that it is not strange that the great interest at

stake may readily control the minds of the people of England, and particularly the minds of her statesmen.

The condition of England is peculiar to herself. Her land is in the possession of very few persons. Four hundred and twenty-one individuals hold 22,880,755 acres, or more than one-fourth of the United Kingdom. Twenty-one hundred and eighty-four individuals hold 38,875,522 acres, or more than one-half.\* Sixty-six per cent. of the population are said to be urban, thirty-four per cent. rural. The agricultural products are equal to the support of the population (36,000,000) for six months in the year. Her dependence for food for the other six months is on the return for her manufactures sold to other countries, her commerce, the earnings of her shipping, and the income derived from her investments in foreign lands. The main dependence for the prosperity of England is on her relations with other countries, and as these are maintained through her manufactures and shipping, it is absolutely necessary that wages and materials shall be kept at a minimum price, so as to enable her to produce and to carry at a lower cost than other countries. The necessity growing out of the condition of England is that no duties shall be levied on food, on which her population is absolutely dependent, nor on cotton, wool, silk, jute, and the many other raw materials which are the bases of her manufactures, and on which she is equally dependent for the means of supplying that food.

"Fair Trade," which is the system advocated by the English landowners who desire protection against foreign agricultural products, Lord Derby says, "is a ghost only, and not a reality." "Protection cannot be revived, because the artisans, the town population—those who are not concerned in agriculture—are not in the least likely to submit to a tax on food, and taxing raw materials would be simply injuring our own industries." Free trade in these articles is a necessity, and not a matter of choice. Is not, then, free trade a misnomer, and does not the practice of England under that name come in as a necessary part of a system of protection which prevails through all the ramifications of the Government of England, and has for its end the welfare of her subjects? Why a parliament, an army, a navy, a diplomatic and consular service, titles of nobility, laws of primogeniture, a national church, free education, telegraphic and postal monopolies, fortresses, harbors, lights, and a thousand other things, all parts

\* "Financial Reform Almanac." London, 1878.

of a great and glorious whole which has raised England to the proud pinnacle on which she rests among the other nations of the world? The whole system is a development of ages of thought by the mind of England concentrated on the welfare of the nation.

Lord Derby well says: "When discussing free trade, there is a wide field of thought on which I do not care to enter, but which deserves serious attention. We are constantly calling on the State to control and regulate our relations with one another more and more closely: how long people are to work, how they are to be taught, what they are to drink, what sort of houses they are to live in—in all these matters, and many others, we are perpetually calling on Parliament to interfere;" and again, "I am not arguing that that tendency is wrong; it is a vast question, but I think its indirect effect is not favorable to free trade; for the principle on which free trade rests is that of the sufficiency of the individual to attend to his own interests, and it is natural for the untaught man to ask, if the State can manage men's business for them, in many departments of life, better than they can manage it themselves, why is trade to be the exception?" Here Lord Derby has stated the question with candor, and were it not for the atmosphere surrounding his lordship, where its natural elements are surcharged with the material interests of England, he would have gone on and said that the principle carried out legitimately would restore the days when might was right, and the few lorded it over the many, or, in other words, a state of barbarism. The assertion that free trade is a science was never more successfully shown to be absurd than Lord Derby has shown it to be, perhaps undesignedly, in the passage just quoted. It is nothing more than a deluding name for a policy which suits the present circumstances of England. As practiced there, it is necessary for the existence of England, and, so far as other countries may be deluded by the teachings of the Cobden Club, the interest of England will be advanced, for intense anxiety now prevails there that the present markets for her manufactures shall be enlarged and new ones opened. It is for this purpose, and this purpose alone, that the Cobden Club exists.

Lord Derby's statement, that New South Wales and India are the only two bright and encouraging points in the universe, accounts for the zeal and perseverance with which the Cobden

Club continues its efforts to enlighten the people of the United States. So cosmopolitan are we, and so many in our seaport cities are dependent on their English business, that one must not be surprised if, on this side of the Atlantic, it meets with no little aid.

As there is no other identity between the condition of the United States and that of England than a common language and a common religion, it is quite reasonable that each nation should adopt a system of government, and of intercourse with other nations, to suit her own circumstances; and it is equally reasonable that their methods should differ, even should there not be a necessity for so doing, which necessity, in our case, may readily be shown to exist. Each nation has her own peculiarities, and each has her own aims. Our aims are the good of the whole, and the nearest approach which can be made to the welfare and happiness of each individual. With us the individual is the center of interest and the source of power, and rulers are created by the people merely to execute laws designed to secure to each individual the greatest possible participation in the good things of this world. Our traditions all tend to one point, and that is, that each individual is entitled to equal privileges.

The United States cover a vast territory, with a population of fifty-two millions, increasing with amazing rapidity. They compass every variety of climate and soil, with vast stores of minerals and mineral oils. Their increase in wealth and productiveness is beyond precedent. Their national debt, which in 1866 was two thousand seven hundred and fifty millions of dollars,—the cost of the abolition of slavery,—is now one thousand six hundred and seventy-five millions,\* or a reduction of one thousand and seventy-five millions of dollars in sixteen years, the reduction of the last fiscal year alone being one hundred and fifty millions. One hundred and ten thousand miles of railroads have been constructed and equipped in an incredibly short time, at a cost of about six thousand millions of dollars.† Twenty-seven States are now competing with Pennsylvania in the manufacture of iron. In 1881‡ the product of pig-iron was 4,641,564 tons, the yield of seven hundred and sixteen furnaces, one-third of which were out of blast, scattered through twenty-eight

\* National debt of England, \$3,843,518,460, and nearly stationary.

† Railroads in England in 1880, 17,915 miles, costing \$3,000,000,000.

‡ "Annual Report American Iron and Steel Association," June 15, 1882.

States. The first steel rails were made in England in 1855, and in this country in 1867. In March, 1868, their current price was \$174 per ton. The price has fallen annually in proportion to the increase of our manufactures, until now steel rails are sold at \$45, and sales have been made as low as \$42 per ton. In the meantime our production has reached 1,188,000 tons for 1881, being greater than that of England by sixty thousand tons. Before the 1st of August, 1882, Colorado, from her own mines, with her own furnaces, converters, and rolling-mill, has produced and laid ten miles of steel rails.

Had the United States continued dependent on England for this article, will any one pretend to say that the product would have been what it is, and that the prices would have fallen as they have done? It is claimed that we can buy what we produce of various kinds cheaper elsewhere than at home. The preceding illustration ought to remove that impression, for, however true it may be, when the prices in foreign markets are compared with our own, what would be the condition of those markets, were an annual demand made upon them of even one-fourth of our present production?

Other manufactures, of cotton, wool, silk, etc., increase with a like rapidity, and, what is of peculiar interest, they are springing up in great numbers in the South and West, and their products are to be found side by side with those of the Eastern and Middle States, competing successfully in all the great central markets. Nothing need be said of the vast productions of cotton, cereals, cattle, etc., which are swelling in their extent every year. What is now being done through the length and breadth of our land shows the fruits of a system which was very dear to the hearts of the founders of the republic,—a system which was to make the people prosperous and the nation independent.

The protective system may be called, very properly, a system of high wages, because it excludes, within certain limits, foreign competition. Its very purpose is the protection of the people. High wages means the circulation of money among the people. As the circulation of the blood, of the sap, of the air, of water, of light, of heat and cold, of electricity, of intelligence, and of loving-kindness, works out the highest results in nature, so does the circulation of money in a community. It tends to raise the lower strata in the social system, and gives to them the advantages they are entitled to, and which they do not elsewhere enjoy to

the same extent. It is asserted that the advantages claimed by us for the workingman are not realized—that high wages produce a high cost for the necessities of life, and, consequently, that the workingman is no better off here than elsewhere. Let any one make a critical examination, and it will be found that the American workingman's food is much cheaper, that the substantial clothing which he uses costs no more, and that, in the education of his children, in his associations and in his dwelling, he has great advantages over the workman of foreign lands; and that the frugal, prudent workman here invariably accumulates property and acquires a respectable social position. The trustees of the Peabody Trust, in their report for 1881, say that their buildings in London are composed of 2787 separate dwellings, which are occupied by 11,450 persons; that the average weekly earnings of the head of each family in residence at the close of the year were £1 3s. 7½d. or \$5.90. The tenants are all working-people of respectable character. Can an equal number of the same class in any city of the United States be found whose average earnings would not equal one-half more?

One of the *ad captandum* objections to our system is that it favors monopolists, and this is constantly repeated in language as vulgar as it is inaccurate; "that it is these monopolists who rob the workingman of his hard-earned wages, in not permitting him to buy in the cheapest market." The latter objection has already been met. But is it not absurd to speak of one as a monopolist who engages in a business in which any one, or all, of the fifty-two million inhabitants of this country, may compete with him, and not only so, but also the inhabitants of all other countries who may be inclined to settle by his side? It used to be that the kings of England granted monopolies, but that power no longer exists. Under our patent laws and those of other countries, monopolies are enjoyed as a reward for the exercise of inventive genius, but only for a limited time; and by what have the several countries benefited more?

With all the advantages our manufacturers are said to have, such has been the competition among them that they have not been more successful, as a class, than their neighbors of other callings. No such fortunes have been accumulated by them as were amassed by the manufacturers of England, with the world as their market, before their success awakened foreign rivalry. So enormous was their capital that, for a while, wherever infant



efforts were made to introduce machinery, that market was surfeited, in order to break down all rivalry. With the growth of capital, here and elsewhere, that policy is now seldom resorted to. Nevertheless, at this moment there is not to be found on the surface of the globe a nearer approach to a monopoly than the combined power of the manufacturers of Free Trade England, and the Cobden Club is the representative of that power. Were the wit of the United States not equal to their own protection, they would soon feel the baneful influences of the exercise of that power.

Our farmers are the objects of the deepest solicitude and sympathy on the part of the Cobden Club. "It is distance (colored by self-interest) lends enchantment to the view." Through Mr. Mongredien's pamphlet, of which it boasts of having sent fifty thousand copies to this country, our farmers have been told how much better they would thrive if free trade were the policy of the United States; but Thomas H. Dudley, Esq., of New Jersey, J. W. Hinton, Esq., of Wisconsin, and other writers, have shown to them Mr. Mongredien's fallacies, and they well understand that they, of all others, are enjoying the benefits of a system which has developed the country so rapidly that, by the construction of labor-saving machines, the cost of their crops is reduced one-half, and that through the facilities of transportation, a uniform and abundant currency, and a diversified industry, the most distant districts of our country have ready markets at prices but slightly lower than those commanded by the products of the costly lands on our eastern slope. Lord Derby says: "Western farmers will not always pay tribute to Eastern manufacturers." This is true. The manufacturers of their immediate neighborhood are rapidly superseding those at a distance. Were it not so, the Western farmers know well whose enterprise and capital were instrumental in opening the West for them, and enabled them to settle and prosper where it was thought the hum of industry would not be heard during this century. Nor are they ignorant of the fact, which is possibly unknown to Lord Derby, that no other calling has been so largely benefited as theirs by the action of the Government. One hundred and ninety-eight million three hundred and forty-six thousand acres of our best land have been granted for the construction of railroads, and four million four hundred and five thousand acres for the construction of canals, all of which railroads and

canals are in the Western and Southern States; nor are these all, for the same munificence has been bestowed upon them for educational purposes in the grant of sixty-eight millions of acres for common schools, one million two hundred and sixty-five thousand acres for universities, and nine million acres for agricultural colleges, making a total of two hundred and eighty-one million sixteen thousand\* acres of land, or nearly four times the area of the kingdom of Great Britain and Ireland, which contains seventy-two million one hundred and nineteen thousand nine hundred sixty-one acres.†

The great tide of immigration which is rolling toward the West proves conclusively that no farmers thrive as do the farmers of the United States, and that they, in common with the whole community, are benefiting by a system which is as nearly universal in its influence as any which has yet been devised.

"As to what is said about providing a variety of occupations," Lord Derby says, "that is a plea which one can hardly suppose is seriously urged." On his Lordship's princely domain, which consists of sixty-four thousand acres,‡ chiefly in Lancaster, may we not find a doctor and an apothecary, a lawyer and a divine, a tailor and a shoemaker, a butcher and a baker, a grower of wheat and a grinder of wheat, spinners of cotton and spinners of wool, and men of many other callings? No economist will dispute the great benefits which are derived from the close proximity of the producer and the consumer. His Lordship is so good a manager that it may be doubted whether any of his products go beyond his tenants to find consumers, unless it be that portion of the game from his preserves which he distributes among his friends. It is one of the cardinal principles of the protective system to encourage home production and home consumption, for they insure to both parties the greatest advantage.

Under the free trade theory, independence of other nations is not to be aimed at! Lord Derby says, "the wish that a country should produce within itself all that it requires may sometimes be due to an exaggerated caution." If, in the Providence of God, we are possessed of every variety of soil and climate, of all kinds of minerals, of a people who can work intelligently and use their products advantageously, and are willing to spare to others what

\* "American Almanac" for 1882.

† "Financial Reform Almanac." London, 1878.

‡ "Financial Reform Almanac." London, 1878.

they cannot use themselves, there ought to be stronger reasons than Lord Derby and his associates of the Cobden Club have ever urged why we as a people should forego the great advantages which have been conferred upon us, and not so control them that, while we promote the good of all, we provide especially for the welfare of the humblest.

Under the protective system there is the least possible occasion to send our products out of the country, and consequently our country is subjected to a minimum of drain upon her strength. Like the owners of the Devonshire Meadows in England, who will allow only oxen designed for the shambles to feed upon them, so that no more than their accumulation in weight shall be taken from the land, so does a true economic principle, embodied in our protective system, secure to us the greatest possible advantages.

While our system has given to us great prosperity on land, its effect on our shipping interest, outside of that engaged in our coasting trade, has been decidedly unfavorable. This industry is unprotected, and has to contend with the low wages which prevail in all other maritime nations. The cost of constructing our vessels, and that of sailing them also, is greater by full one-fourth—the equivalent of the difference in wages. Congress has not met this question as it ought to have been met, probably because the demand for capital and labor on land has been greater than the supply, and the superabundance of foreign shipping has been more than equal to the requirements of trade. As a nation we have not suffered, for both our capital and our people, withdrawn from the sea, have found more profitable and more congenial employment on the land in the railroad service, which is the most marvelous and attractive feature in the industry of the present age.

Sir Charles Dilke, M. P., another speaker at the Cobden anniversary, said: "I am convinced that protection has had a most grievous effect upon the political and social condition of the modern world. Russian nihilism, German social democracy, and French anarchism, are, in a high degree, the children of protection."\* Lord Derby and the Cobden Club proclaim that Free Trade is superior to religion in spreading "peace on earth

\* Why has Sir Charles made no allusion to his own countrymen, born and bred in the land where the *religion* of free trade prevails, and who, in this country, prove to be the most radical and are among the most troublesome?

and good-will toward men." Sir Charles ranks protection as among the agencies of the Devil. In asserting this he little thought that the men who in other countries exhibit these various satanic phases in their struggles for liberty of conscience and personal liberty, need only to be transplanted to a country where protection exists as it does here, where it and all its surroundings are but expressions of the will of the people, and they at once become the sustainers of law, and active in the pursuit of those advantages which are the rewards of industry. The waves of immigration now setting over our land contain many a soul, hitherto harrowed by oppression, and they, like the refugees from persecution in the last century, will find happy homes here, having nothing to excite other than grateful feelings toward a government whose purpose is to secure to all its citizens the advantages of the most perfect civilization.

There is a view of this subject on which the mind of the Cobden Club has not rested. Its eye has been so intent on the immediate advantages which our adoption of its doctrine would bring to England, that the ulterior consequences of it have not been thought of. There is no one in England who does not know that of all their raw products there is not one which we cannot produce in greater abundance, and that, beyond these, we have an infinite variety of others of which they have none, and on which they are dependent. The cost of all these consists mainly in labor. Our tariff produces high wages. Take it off, wages fall, the cost of production falls. Who can deny that, with wages on the same level with England, with our inexhaustible supply of power, our skill, with all the raw materials at hand, and provisions more abundant and cheaper than they can be in England, the United States will produce cheaper than England can, and be a competitor with her in manufactured goods in all her present markets. Under low wages our consumption will fall off, and we shall cease to be, what we now are, among England's best and largest customers.

Should this come to pass, both nations will be sufferers. As we are a nation of workmen, and ought to understand what is for our interest, such a result is not to be anticipated. If, however, it should come, we must philosophically submit to our altered circumstances, and it is possible that they who have worked for the overthrow of our beneficent system may find themselves the greater sufferers. Our youthful energy and greater resources

will give to us a power with which England cannot cope in the markets of the world, and ships bearing the flag of the Union will once more take the place of those under the red cross of St. George on every sea. Our cost will be lives of unremitting toil, with its degrading tendencies, instead of the present privileges which the protective system secures to us all.

As we now are, we can compare the condition of the United States to that of no other nation. We have aimed at independence, and have secured it. We have striven for the greatest good of the greatest number, and are rewarded. We have no privileged classes, and the emoluments and rewards of genius, of intellect, and well-directed industry in all its forms, are denied to no one. We are not envious of other nations, and do not fear them. The numerical insignificance of our army and of our navy proves our confidence in their good-will toward us, and we show our good-will toward them by receiving cordially from them all who prefer, from any cause, to leave their homes and cast their lot among us.

There is but one other point on which I shall touch. Lord Derby says: "They have America to themselves; they unwisely, as we think, are protectionists against Europe; but, over an area as large as Europe, within the Union itself, there exists absolute free trade. Their constitution and their geographical position do much to neutralize the mistakes of their policy." T. Bayley Potter, Esq., M. P., Honorary Secretary of the Cobden Club, after an extended tour in this country, expressed himself much to the same effect. That part of our system which they think affects England injuriously, these gentlemen, in common with all Englishmen, condemn. Its operation among ourselves is the subject of their strongest commendation. It is unfortunate for us — perhaps more unfortunate for England — that the Cobden Club has not shown its solicitude for nearer neighbors than we are. Is it not possible that its pious zeal should be successfully directed toward the unification of Europe (including England) into a republic? Then free trade would, as with us, prevail within its borders, and a more liberal policy than ours might govern its foreign relations. One blessing would certainly follow: the people would no longer be burdened with the cost of huge standing armies, enormous navies, and a multitude of thrones.

JOHN WELSH.